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Honorable Christopher M. Alston
Chapter 11

8 UNITED STATES BANKRUPTCY COURT
9 WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

10 In re:
11 NORTHWEST TERRITORIAL MINT, LLC,
12 Debtor.
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Case No. 16-11767-CMA

DECLARATION OF MARK CALVERT IN
SUPPORT OF MOTION TO APPROVE (I)
DEADLINE TO ASSERT CLAIMS WITH
RESPECT TO OWNERSHIP OF NWTM
COINING DIES; AND (II) SETTLEMENT
PROTOCOL TO RESOLVE CLAIMS TO
OWNERSHIP OF NWTM DIES

16 Mark Calvert (the “Trustee”) declares as follows:

17 1. I am the Chapter 11 Trustee for the consolidated estates of Medallic Art Company,
18 LLC (“MACLLC”) and Northwest Territorial Mint, LLC (“NWTM”).

19 2. NWTM operated a custom minting service whereby customers would contract with
20 NWTM to produce coins and medallions bearing specific designs. In order to produce these coins
21 and medallions, NWTM first had to create a custom coining die (a “NWTM Die”) used to press the
22 coin or medallion. These NWTM Dies were stored by NWTM when not being actively used for
23 production. NWTM currently possesses thousands of NWTM Dies. Of the NWTM Dies, we have
24 identified 12,037 that were created for custom jobs (the “NWTM Custom Dies”) for 4,594 customers
25 (“Custom Job Customers”). Because NWTM’s records only go back ten years, it is likely there are
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DECLARATION OF MARK CALVERT RE: MOTION TO
APPROVE SETTLEMENT PROTOCOL REGARDING
NWTM DIES - 1
501159093 v3

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1 some Custom Dies which have not been identified. The remaining NWTM Dies were used for
2 production of stock items which NWTM marketed.

3 3. I have determined that, with certain exceptions, MACLLC owned all Medallic
4 Coining Dies. Unlike dies produced by MACLLC or its predecessors, my ability to prove that
5 NWTM Dies are property of the estate is complicated by inconsistent statements made by NWTM
6 sales agents to customers. Based on records which I have reviewed, in many instances the
7 paperwork provided to NWTM customers made it clear that all dies remained the property of
8 NWTM. In other instances, the policy was not expressed on the paperwork, and customers have
9 indicated that they assumed the “die charge” they paid was a purchase price rather than a charge for
10 the expense NWTM incurred in creating a die.

11 4. Because there are thousands of NWTM Custom Dies and thousands of customers
12 who could assert an ownership interest therein, it would be costly and time consuming to determine
13 the question of ownership with regards to each NWTM Custom Die. As a result, I propose to
14 resolve all claims of ownership through a settlement protocol (the “Settlement Protocol”) whereby
15 the estate would cede its ownership interest in any particular NWTM Die in exchange for a
16 settlement payment of \$300. I believe that the figure of \$300 is reasonable, and it is a figure I
17 reached by allocating 15% of the projected operating expenses through the end of June, 2018, to the
18 ongoing storage of NWTM Dies. I then added estimated costs of mailing, publishing, and posting
19 notice to reach an approximate cost of \$127,739 to run the protocol as opposed to immediately
20 scrapping or otherwise disposing of the NWTM Dies. Assuming that five percent of Custom
21 Customers took advantage of the Settlement Protocol, which I believe is a high number, the
22 estimated cost to the estate, per die, after adding \$20 in labor for locating and packing the die, and
23 verifying the association with the claimant, is approximately \$143, without adding value for
24 settlement of ownership. The fewer dies that are redeemed, the higher the cost per die to the estate
25 will be. If as few as one percent took advantage, the cost per die would be \$634.

5. I propose to send notice of the Settlement Protocol (the “Settlement Notice”) to all Custom Customers which we have identified (i.e., those reflected in the records related to the last ten years). The form of the Settlement Notice is attached as Exhibit A. I also proposed to post the Settlement Notice on NWTM’s websites, and will publish the Settlement Notice in a prominent trade publication once a week for four weeks.

I declare under the penalty of perjury under the laws of the United States that the foregoing is true and correct to the best of my knowledge.

EXECUTED this 30th day of March, at Seattle, Washington.

/s/ Mark Calvert

Mark Calvert

1 **CERTIFICATE OF SERVICE**

2 The undersigned declares as follows:

3 That she is a Paralegal in the law firm of K&L Gates LLP, and on March 30, 2018, she
4 caused the foregoing document to be filed electronically through the CM/ECF system which caused
5 Registered Participants to be served by electronic means, as fully reflected on the Notice of
6 Electronic Filing.

7 Also on March 30, 2018, she caused the foregoing document to be placed in the mail to the
8 Parties at the addresses listed below:

9 Northwest Territorial Mint LLC
10 c/o Ross Hansen, Member
11 P.O. Box 2148
12 Auburn, WA 98071-2148

13 I declare under penalty of perjury under the laws of the State of Washington and the United
14 States that the foregoing is true and correct.

15 Executed on the 30th day of March, 2018 at Seattle, Washington.

16 /s/ Denise A. Lentz
17 Denise A. Lentz
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EXHIBIT A

NOTICE OF SETTLEMENT PROTOCOL REGARDING OWNERSHIP OF NORTHWEST
TERRITORIAL MINT COINING DIES

PLEASE TAKE NOTICE that on April 1, 2016, Northwest Territorial Mint, LLC (“NWTM”) filed a petition for bankruptcy relief under Chapter 11 of the United States Bankruptcy Code under Case No. 16-11767-CMA. On April 11, 2016, the United States Bankruptcy Court for the Western District of Washington appointed Mark Calvert as the Chapter 11 Trustee (the “Trustee”) over NWTM.

PLEASE TAKE FURTHER NOTICE that NWTM operated a custom minting business whereby customers would contract with NWTM to produce coins and medallions bearing specific designs. In order to produce these coins and medallions, NWTM first had to create a custom coining die (an “NWTM Die”) used to press the coin or medallion.

PLEASE TAKE FURTHER NOTICE that the Trustee submits that with limited exceptions, NWTM retained ownership of all NWTM Dies created to produce coins, medallions, or other products for customers. The Trustee understands that some NWTM customers may assert ownership of an NWTM Die. It is the intent of the Trustee to attempt to sell the NWTM Dies, subject to court approval, to a mint capable of storing the NWTM Dies and producing goods at the request of the customer.

PLEASE TAKE FURTHER NOTICE that the United States Bankruptcy Court has approved a Settlement Protocol to resolve disputes between the Trustee and customers asserting an interest in a NWTM Die. Under the terms of the Settlement Protocol, the Trustee will release any interest held by NWTM’s bankruptcy estate in a NWTM Die in exchange for a payment of \$300 per die (the “Settlement Payment”). Settling customers will be responsible for paying the cost of shipping the die to their location, plus any costs of shipping associated plasters or galvanos. Settling customers will need to prove their association with the specific dies in question with a copy of a sales quote, order, invoice, written communication, or other information sufficient to establish the association.

PLEASE TAKE FURTHER NOTICE that if you assert ownership of an NWTM Die, you must, by JUNE __, 2018 (the “Settlement Deadline”) fill out a request for die form at www.dierequest.nwtmint.com. All Settlement Payments must be paid by credit card, which a customer service representative of the estate will collect upon shipment. Upon shipment, the estate will transfer ownership of the die(s) to the purchasing agent.

It is important to note that dies manufactured by the Medallic Art Company (“MACO”) are not part of this settlement protocol. The MACO division of NWTM generally created medallions in excess of 2” in diameter.

PLEASE TAKE FURTHER NOTICE THAT IF YOU DO NOT SETTLE YOUR INTEREST IN A NWTM DIE BY THE SETTLEMENT DEADLINE YOU WILL FORFEIT ANY CLAIMED INTEREST IN SUCH DIE AND THE DIE WILL BE DEEMED PROPERTY OF NWTM’S BANKRUPTCY ESTATE.